

“MEPs have developed a culture of impunity”: Fighting Corruption in Brussels after Qatargate

Article by Nicholas Aiossa

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In December 2022, Brussels was rocked by a corruption scandal in the European Union, involving a vice president of the Parliament and the wealthy Gulf state Qatar. Nicholas Aiossa from Transparency International explains the extent of corruption in the European institutions, where the current rules fall short, and how to fix them.

Green European Journal: Greek socialist MEP and vice president of the European Parliament Eva Kaili was taken into custody after Belgian investigators found bags stuffed with 600,000 euros in cash in her apartment - most likely bribes from Qatar. Former Italian socialist MEP Pier Antonio Panzeri is also in police custody and it is clear that other influential figures are involved. What do we know about the extent of corruption in the European Parliament? Is this just the tip of the iceberg?

Nicholas Aiossa: To lay the foundation of where we are, it is important to point out that this is not a lobbying scandal but a corruption and bribery scandal. The scope of the scandal is perhaps unprecedented in the European Parliament but, make no mistake, there has been a series of fraudulent behaviour by some MEPs over the last decade. So I am not surprised by this scandal. Only the antiquated method of using suitcases of cash is surprising.

Is it the tip of the iceberg? Yes, it very well could be. Not least because in the six or seven weeks since the story broke, there had been further revelations, there have been further people investigated, and there have been further requests to lift the immunity of MEPs.

Is there a clear line to draw between corruption and lobbying?

Yes. Lobbying is a lawful activity and it can enrich the policymaking debate. We just have to make sure that it is transparent, governed by a strict ethical regime and codes of conduct, and that undue influence by certain sectors or industry are not allowed to be prevalent.

I used to work in the European Parliament for MEPs sitting on the trade committee. I know first-hand that it is quite common to have third-country diplomats try and convince MEPs of their particular policy positions when it comes to agreements or pieces of legislation. Again, that is purely distinct from where we are now. In the current case, people in positions of power have been paid off to use their positions to influence policy.

In the case of Qatargate, how could it happen that this bribery went on without anyone noticing?

A contributing factor is the culture of impunity that has been left to fester in the European Parliament. The existing ethics and integrity rules are very lax. For the financial management of some allowances, the rules are non-existent and there is very little monitoring of potential conflicts of interest.

The absolute lack of protections afforded to whistleblowing from parliamentary assistants and staff members of the European Parliament is one of the main issues that needs to be addressed and it directly relates to the scandal. The corruption has been going on for quite some time, the Belgian authorities have been investigating it for months, and the bribery has involved various players, both at a political and staff level. It is fair to ask whether there were people in the Parliament who saw something suspicious and chose not to report it - knowing that they would not be afforded proper protections.

At Transparency International, we work on issues like money laundering, the protection of EU financial interests, the rule of law, and the whistleblowing directive. The European Parliament is oftentimes our strongest supporter on establishing proper anti-corruption rules for the 27 member states. But MEPs are our biggest opponents when it comes to setting the same rules for themselves.

There is a glaring double standard and whistleblowing is an excellent example. The EU's Whistleblower Directive was brought forward several years ago. It is a comprehensive directive that gives very robust protections to employees in both the public and the private sector in 27 member states. However, it does not apply to the staff of the European Union's institutions, agencies, or bodies. These people are afforded protection under the staff regulation, but it is up to the individual institutions to bring about the rules that govern those protections. Out of all the EU's institutions, agencies and bodies, the European Parliament's rules are the worst. They are garbage. In 2016, three accredited parliamentary assistants reported wrongdoing and all three were fired. Since that time, only one other assistant has come forward to report wrongdoing.

The systems in place are not adequate. Rules either do not exist or they are not backed up with proper monitoring, oversight, or sanctions. If an MEP breaches the code of conduct, the worst sanction that they will receive is 30 days docked off their daily allowance. But even that does not seem to particularly worry them, because in the last legislature, there were 24 breaches and not one sanction. The discretion to issue a sanction or not is up to the president of the Parliament. With all of this, the MEPs have developed a culture of impunity.

The NGO Fight Impunity was already investigated by the EU Commission's ethics body in 2020 when former European Commissioner Dimitris Avramopoulos wanted to lobby for this organisation. The ethics committee noticed that the NGO was not in the EU lobby register and did not disclose the source of its money. How is that possible?

It is a loophole in the regime that governs lobbying in Brussels, which is a shared responsibility between the three main institutions. The particular loophole is that the Transparency Register is not mandatory. If NGOs or industry groups choose not to register, institutions cannot compel them to. Of course, there are conditionality measures. Those who fail to register will not have access to the parliamentary access badge, for example. In theory, they should not be able to meet with commissioners, cabinet members, directors

general, or staff of the Commission without first registering and should not be formally participating in committee activities. But that is just theory and here is where things completely went wrong in the Panzeri scandal [Pier Antonio Panzeri is a former MEP and founder of Fight Impunity], as the NGO in question was very active in different parliamentary DGs and subcommittees, such as the Human Rights Subcommittee.

Is it the tip of the iceberg? Yes, it very well could be.

According to the European Parliament's code of conduct, MEPs are allowed to engage in paid activities outside their mandate, be members of external bodies, and own shares in companies. As long as all this is allowed, how can we expect full transparency on outside influences?

They should not be allowed to do that, as it is riddled with problems. The first problem is that MEPs are engaging in outside paid activities when they should be devoting their attention to carrying out their elected legislative responsibilities. The second problem is that the declarations of financial interest that they are required to fill out do not oblige them to be very specific about these external activities. This is something that Transparency International has tried to get them to change for years. Some MEPs report work as "consultants", but in many cases this is just a nice way of saying "lobbyist" and we do not even know for whom they work because they are not obliged to disclose. Others work as lawyers, but again we do not know who their clients are and how much money they make.

The disclosure rules about lobbying do not apply to efforts by third countries. Why not?

It was argued that lobbying is different from diplomacy. In reality, there is some overlap and third countries should register when they are seeking to influence a process. This is one of the things that we hope will change in light of this present scandal.

What is Qatar getting out of this lobbying effort in your opinion?

I can only speculate. From the public reports, Qatar could perhaps influence and encourage whitewashing of its image in parliamentary resolutions, which has been reported in relation to the World Cup resolution in November [reports found that some Socialist MEPs watered down criticism of workers' rights in Qatar]. There is a legislative file on visa liberalisation that would facilitate travel between Qatar and the Union; and there has been speculation that elements of the Qatar Airways deal about granting the company unlimited access to the EU market could also encourage Qatar to engage in this kind of illegal activity. If these speculations are correct, Qatar has plenty of interest in ensuring favourable outcomes to these processes.

Which kinds of actors are most likely to be involved in corruption?

Difficult to say, simply because there have not been a lot of publicly revealed scandals involving corruption and third countries until now, at least with the Parliament. The

corruption and fraud scandals involving the Parliament – and there have been many – are usually petty fraud issues involving misuse of allowances. There has been speculation about influence by Russia over the years, but nothing has been substantiated by concrete evidence that would lead to a criminal or civil procedure.

Prior to the Qatargate, the biggest scandal involving bribery was faux bribery. The cash-for-amendment scandal in 2011 was a sting operation in which a journalist paid cash to MEPs in order to table amendments. It was the only time that there has been meaningful reforms from the Parliament and a code of conduct for members of the European Parliament was adopted. Since then, nothing has happened. Public and private institutions often fail to put in place proper anti-corruption frameworks until the scandal hits.

In the past, EU Commission President Ursula von der Leyen promised an independent ethics body for more robust ethics control. Where are we?

We have called for an independent ethics body for years. In fact, we were quite surprised that President von der Leyen included it in her political guidelines in 2019. She tasked Vice President of the European Commission Věra Jourová with bringing forward a proposal but nothing has happened so far.

We support the creation of this body because it will introduce a necessary and much needed independent element to the ethics regime of the Parliament and other institutions. But I need to point out that all the technical rules that govern MEPs' ethical behaviour are the responsibility of the institution. If the Parliament wanted to, technically, it could change the rules anytime it wanted. MEPs hide behind this proposal and blame the Commission because it is convenient.

In fact, this proposal will likely come in the form of an inter-institutional agreement, which is essentially just a binding commitment made between the institutions to take action. Even if the proposal comes forward and is adopted, the onus on changing the rules that govern the House will still fall on the Parliament.

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Have there been any important developments since this scandal broke in December regarding the ethical rules?

The European Parliament President Roberta Metsola introduced a package of reform proposals with 14 objectives. This package is a serious proposal, but it does not go far enough. It leaves some of the much needed issues for a later date, while some of the proposals need to be adapted because they are not fit for purpose. [Transparency International has made an initial assessment.]

But we need to see the reaction from 705 MEPs. We have seen non-binding reforms suggested by the majority of plenary before, which were summarily dismissed and ignored

by the political leadership of the Parliament. It will be crucial to see their commitment to following through with the promises made in the resolution of December, which do speak to larger institutional reforms.

What measures would you recommend?

First, as a matter of urgency, the Parliament needs to take steps to address the lobbying elements and particularly the inclusion of third-country representatives in requiring them to be more transparent and MEPs to be more transparent over their interactions with them. This step is the least controversial bit and will probably happen.

A more controversial step (for MEPs) is properly introducing whistleblowing rules that protect EU staff and parliamentary assistant and that align with the Whistleblower Directive. Without those protections, they will not feel safe to disclose potential wrongdoing. The code of conduct also needs to be revised to address conflicts of interest, the problems with the declarations, and the problems with the sanctions – these are all steps that concern rules of procedure governing the house.

Probably the most bold and unsavoury proposal for MEPs would be to strip the European Parliament's Bureau of all decision-making power on issues of transparency, integrity, and fraud. The Bureau is a body inside the Parliament that is composed of the 14 Vice Presidents and the President – and let us not forget that Eva Kaili was one of the Vice Presidents. It has been consistently the biggest opponents to potential reform concerning transparency, integrity, ethics, and antifraud.

On these matters, the Bureau should be stripped of decision-making powers and they should be redistributed to the relevant committees that hold the relevant mandates. So, the Constitutional Affairs Committee should oversee all issues concerning codes of conduct, rules and procedure, implementing measures, and ethical behaviour of members. All issues of transparency and access to documents should be a Legal Affairs Committee competence. MEP allowances should be dealt with by the Budgetary Control Committee, which ensures the sound financial management of EU funds. It would make complete sense that they govern the rules on the spending of EU money. MEPs' expenses are a huge issue. MEPs receive an allowance called the "general expenditure allowance", which is meant for office expenses in Brussels and their constituencies as well as representation costs. It totals 4400 euros per month and is deposited into MEPs' accounts. Not one receipt is required for expenditure that amounts to 40 million a year for the Parliament.

Do we also need increased transparency on MEP's assets?

Yes. Further transparency over the financial assets and interests is needed and not just for tangible assets but also financial interests of members that do not exist at the moment. There are some obligations under the declarations, but again, we have seen time and time again that members are either filling them out with little detail to make scrutiny impossible or not filling them out properly and omitting key details. We would like to see that these declarations are filled out in extreme detail before being verified by the parliamentary services.

Is the increased scrutiny of NGOs necessary (as some right-wing actors have

called for) or would that be counterproductive?

It is a red herring. The problem is not with being an NGO. What these NGOs or any interest representatives should be required to do is register in the Transparency Registry, which they were not doing in the case of Qatargate. Transparency International is an NGO and we are registered in the Transparency Register, we disclose our funding on an annual basis, we disclose what files we are working on, and we disclose what meetings we have. If non-transparent interest representatives had been required to register, we would not have these concerns.

What steps could the Greens take to help put a stop to corruption in the European institutions?

They can practice what they preach. On lobby transparency, the Greens are the group that has the highest percentage of members that publish their meetings. But take the general expenditure allowance. As of three years ago, MEPs, on a voluntary basis, were allowed to use their allowances to hire an external auditor to audit the General Expenditure Allowance and then they could formally submit that audit report and have it published on their individual MEP's website. Of the 705 MEPs, only a few dozen did so. Many were Green but it wasn't all the MEPs in the Group. If they are serious about convincing other groups that these kinds of reforms are necessary, they should all be doing it.

The political group could also introduce internal whistleblowing rules that govern staff of the European Greens and Green MEPs could have their declarations of financial interest be the most stellar declarations that the Parliament has ever seen, with details of their financial holdings and interests as well as paid and unpaid activities. Some already do but not all. With these issues, they are not going to score the same political points with their constituents that they would on a climate package – they are even going to make enemies – but it is the right thing to do. It will take more than tabling non-binding amendments to bring about real, meaningful reforms.



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